

the past few years has been a ingredient in growing our economy, and it should be made permanent.

Our growing economy is dynamic. The rise of new technologies, new competition, and new markets abroad is changing how we do business. We need to take action in four key areas to keep America's economy flexible and dynamic.

First, we must break down barriers to trade so our workers can sell more goods and services to the 95 percent of the world's customers who live outside of our borders. Global trade talks like the Doha Round at the World Trade Organization have the potential to level the playing field so we can compete on fair terms in foreign markets, while helping lift millions of people out of poverty around the world.

The only way we can complete the Doha Round and make headway on other trade agreements is to extend Trade Promotion Authority, which is set to expire on July 1st. This authority is essential to completing good trade agreements. The Congress must renew it if we are to improve our competitiveness in the global economy.

Second, we must work to make private health insurance more affordable and to give patients more choices and control over their health care. One of the most promising ways to do this is by reforming the tax code. We must end the unfair bias against individuals who buy insurance on their own. I propose creating a standard deduction for every American who buys health insurance, whether they get it through their jobs or on their own. In a changing economy, we need a health care system that is flexible and consumer-oriented. With this reform, more than 100 million Americans who are now covered by employer-provided insurance will benefit from lower tax bills. Those who now purchase health insurance on their own would save money on their taxes. Millions of others who now have no health insurance at all would find basic private coverage within their reach. My proposal also taps the innovation of States in making basic, affordable insurance available to all by creating Affordable Choices grants to help ensure the poor and the sick have access to private health insurance.

Third, we must continue to diversify our energy supply to benefit our economy, national security, and environment. In my State of the Union Message, I set an ambitious goal of reducing gasoline usage in the United States by 20 percent over the next 10 years. Meeting this goal will require significant changes in supply and demand, but we should let the market decide the best mix of technologies and fuels to most efficiently attain it. On the supply side, I propose a higher and reformed fuel standard that would include renewable and other alternative fuels. We should also allow environmentally friendly exploration of oil and natural gas. On the demand side, I propose enhancing Corporate Average

Fuel Economy standards for cars and extending the current rule for light trucks, so that we can reduce the amount of gasoline that our passenger vehicles consume, and do so in a more efficient way.

Fourth, a strong and vibrant education system is vital to maintaining our Nation's competitive edge in the world and extending economic opportunity to every citizen here at home. Five years ago, we rose above partisan differences to enact the No Child Left Behind Act, preserving local control, raising standards, holding schools accountable for results, and providing more choice. This year, we must reauthorize and strengthen this good law preserving its core principles.

Strong productivity growth underlies much of the good economic news from the past few years and the policies discussed above. Productivity growth helps to increase our standards of living and improve our international competitiveness. To maintain this progress, we must pursue a variety of growth policies, including those contained in the American Competitiveness Initiative and comprehensive immigration reform.

These and other issues are discussed in the 2007 Annual Report of the Council of Economic Advisers. The Council has prepared this Report to put into broader context the economic issues that underlie my Administration's policy decisions. I commend it to you.

GEORGE W. BUSH.

THE WHITE HOUSE, February 2007.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 2007, the Secretary of the Senate, on today, February 12, 2007, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House had passed the following bill, in which it requests the concurrence of the Senate:

H.R. 547. An act to facilitate the development of markets for biofuels and Ultra Low Sulfur Diesel fuel through research and development and data collection.

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

The PRESIDENT pro tempore (Mr. BYRD) announced that on February 8, 2007, he had signed the following enrolled bill, which was previously signed by the Speaker of the House:

H.R. 434. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through July 31, 2007, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with

accompanying papers, reports, and documents, and were referred as indicated:

EC-728. A communication from the Under Secretary of Defense (Personnel and Readiness), transmitting, a report on the approved retirement of Lieutenant General Thomas L. Baptiste, United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

EC-729. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Revenue Procedure on Rescission Request Procedures" (Rev. Proc. 2007-21) received on February 6, 2007; to the Committee on Finance.

EC-730. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Weighted Average Interest Rate Update" (Notice 2007-20) received on February 6, 2007; to the Committee on Finance.

EC-731. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Updated Mortality Tables for Determining Current Liability" ((RIN1545-BE72)(TD 9310)) received on February 6, 2007; to the Committee on Finance.

EC-732. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Certain Transfers of Stock or Securities by U.S. Persons to Foreign Corporations" ((RIN1545-BG10)(TD 9311)) received on February 6, 2007; to the Committee on Finance.

EC-733. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Field Directive on Section 936 Exit Strategies" (Secondary Audit Index Number LMSB-04-0107-002) received on February 6, 2007; to the Committee on Finance.

EC-734. A communication from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, a report relative to standards and requirements for royalty relief for marginal properties for oil and gas leases on the Outer Continental Shelf; to the Committee on Energy and Natural Resources.

EC-735. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plan for Designated Facilities and Pollutants; Florida: Emissions Guidelines for Small Municipal Waste Combustion Units" (FRL No. 8276-7) received on February 7, 2007; to the Committee on Environment and Public Works.

EC-736. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; West Virginia; Amendments to the Minor New Source Review Program" (FRL No. 8276-3) received on February 7, 2007; to the Committee on Environment and Public Works.

EC-737. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics and Innovation, Environmental Protection Agency, transmitting,